GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Energy Department - Providing Government Guarantee for Rs.900 crores to SBI & UBI, considering the critical financial condition of the Andhra Pradesh Power Development Company Ltd (APPDCL) and also to avoid any adverse reporting by Banks to the Statutory Authorities, CIBIL, CRISIL etc. – Orders - Issued.

ENERGY (POWER-III) DEPARTMENT

G.O.MS.No. 67 Dated: 07-08-2025

Read the following:

1. From the Chairman, APPDDCL Lr. No.APPDCL/ Chairman/Director/ CFO/Loans/D.No. 534/24, Dt. 19.08.2024.

2. From the Chairman, APPDCL letter No. APPDCL/ Chairman/ Director/ CFO/Loans/D.No.680/24, dt:09/10/2024.

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O R D E R:

In the references read above, the Chairman, Andhra Pradesh Power Development Company Ltd (APPDCL) has requested the Government to provide the Government Guarantee for Rs.900.00 Crores to SBI & UBI on behalf of APPDCL, considering the critical financial condition of the Company and also to avoid report of irregularity by Banks to the Statutory Authorities, CIBIL, CRISIL and RBI etc.

2. After careful examination of the matter, Government hereby accord approval for providing Government guarantee on behalf of Andhra Pradesh Power Development Company Ltd (APPDCL) for Rs.900 crores to SBI & UBI, considering the critical financial condition of the Company and also to avoid any adverse reporting by Banks to the Statutory Authorities, CIBIL, CRISIL etc., subject to the following conditions:

(i) APPDCL has to negotiate the rate of interest and ensure to bring it at least on par with MCLR rates. Further, to ensure a zero foreclosure charges clause in the agreement.

(ii) The guarantee will be valid for the entire tenure of the loan period.

(iii) The guarantee is extended for the principal and interest part.

(iv) Submission of details such as interest rate, tenure, etc., and conditions, if any.

(v) The Govt Guarantee shall come into force only in the event of failure to pay the obligations to the lending institution by APPDCL.

(vi) The deed shall not be valid unless it is signed by the authorized officer of the Finance Dept., Govt. of AP.

(vii) APPDCL shall meet the debt servicing from its own resources.

(viii) APPDCL has to pay a 2% guarantee commission on the guaranteed amount'

3. The Chairman, Andhra Pradesh Power Development Company Ltd (APPDCL) shall take necessary action accordingly.

4. This order issues with the concurrence of Finance Department vide their U.O.No.FIN01-BUGT0BL/2/2024-CDM (Computer No. 2546762), Dated:03/08/2025.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

K. VIJAYANAND
SPECIL CHIEF SECRETARY TO GOVERNMENT (FAC)

To
The Chairman, Andhra Pradesh Power Development Company Ltd (APPDCL).
Copy to:
The Principal Secretary to Govt., Finance Department.
The P.S to Secretary to C.M.
The P.S to Special Chief Secretary to Govt., Energy Department.
The General Administration (Cabinet) Department.
SF/SC (Computer No. 2539934)

//FORWARDED:: BY ORDER//

SECTION OFFICER